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FM AMEMBASSY ABU DHABI

TO RUEHC/SECSTATE WASHDC IMMEDIATE 3131  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE  
RUEHDE/AMCONSUL DUBAI 8517  
RUEHEG/AMEMBASSY CAIRO 1647  
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RUEHNK/AMEMBASSY NOUAKCHOTT 0088  
RUEHPF/AMEMBASSY PHNOM PENH 0006

C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 001107

SIPDIS

E.O. 12958: 11/21/2019

TAGS: [EAGR](#) [EAID](#) [ETRD](#) [AE](#)

SUBJECT: UAE DEVELOPS FOOD SECURITY POLICY

REFS: A) STATE 107298  
B) DOHA 595

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CLASSIFIED BY AMBASSADOR RICHARD G. OLSON FOR REASONS 1.4 B AND D.

**¶11. (C) SUMMARY.** Like the United States, UAE federal and local government officials are focused on promoting food security and expanding cooperation and partnership with foreign agricultural producers. The UAE imports over 85 percent of its agricultural needs, making food security a pressing challenge. The UAE has developed a food security policy, to be released in early 2010, that focuses on encouraging UAE agricultural exports, facilitating UAE investment in foreign agriculture, and agricultural trade promotion. In partnership with local governments, the UAE is examining investment and partnership opportunities in Africa and Asia. Greater US-UAE cooperation on food security would likely benefit the U.S., the UAE and the developing world. END SUMMARY.

THE FOOD SECURITY CHALLENGE

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**¶12. (C)** In October and November, the Ambassador, Agricultural Trade Officer (ATO) and EconOff delivered Ref A points on the U.S. food security approach to key UAE officials responsible for food security. Minister of Economy Sultan Al Mansouri told the Ambassador on October 28 that UAE interest in developing a food security policy stemmed from high domestic inflation in 2007-08, driven by a spike in global commodity prices. The UAE imports approximately 15 essential agricultural products to feed UAE residents from over a hundred nationalities. Al Mansouri said the UAE is seeking to invest in key agricultural producing countries and develop a strategic reserve.

**¶13. (C)** Al Mansouri added that the UAE also seeks to support international agricultural policies that will encourage foreign investment and price stability, in coordination with key partners like the United States. In order to support agricultural development in lower income countries, the UAE is prepared to offer long-term contracts that will give producers a guaranteed buyer. Al Mansouri added that the UAE, as a regional logistics hub, can exploit its strategic location to the benefit of other producers and consumers. During a November 10 meeting, Minister of Environment and Water Dr. Rashid bin Fahad (who led the UAE delegation to the World Food Summit in Rome) told the Ambassador that the UAE already supports many developing countries and is looking at food security as another opportunity for cooperation.

DOMESTIC PRODUCTION AND DEMAND

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¶ 4. (C) During a November 8 meeting with EconOff and ATO Director, Abu Dhabi Food Control Authority (ADFCA) Director General Rashed Mohammed Al Shariqi said the UAE had assigned the ADFCA to develop a national food security strategy. Al Shariqi noted that the UAE currently imports over 85 percent of its food consumed. Given the UAE's diverse population of almost 5 million residents (80-plus percent of whom are expatriates), identifying consumption habits is a challenge.

In addition to making it harder to determine which products are essential, e.g. wheat, rice, sugar, milk, oil and water, some nationalities also consume different types of the same commodities, such as rice.

¶ 5. (C) Al Shariqi also praised the UAE's logistical infrastructure, noting a high percentage of regional food imports currently pass through the UAE. (Note: Dubai in particular is a regional and global aviation and shipping hub. End Note.) While the UAE can produce enough dates and fish for domestic consumption, and some vegetables (using advanced greenhouse and hydroponic methods), Al Shariqi said UAE water quality and scarcity limit domestic production. On a global level, Al Shariqi commented that another "revolution" in agricultural production is needed to meet expected demand growth.

#### UAE POLICY: EXPORT, INVEST, FACILITATE

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¶ 6. (C) Al Shariqi said the ADFCA hired PriceWaterhouseCoopers to conduct a study about UAE needs and propose strategy solutions, including through meetings with UAE private and public sector stakeholders. While the study is not expected to be completed until January 2010, Al Shariqi and ADFCA Executive Director for Strategic Planning Khalifa Ahmed Al Ali outlined the three main components of the expected UAE food security policy. This policy is centered on the UAE's strengths: small population, wealthy government, strong legislation and a highly-developed logistics system.

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¶ 7. (C) Al Shariqi said the first pillar is to link domestic agricultural producers to international markets. The second is to identify foreign investment opportunities for the UAE public and private sectors. Countries with plentiful land and water will be the clear focus, with Al Shariqi noting that opportunities in Pakistan and Africa are of significant interest. Among other efforts, the UAE is looking at how to incentivize foreign officials and farmers to facilitate strategic food security investments through policy reform and encouraging farmers to shift to high demand agricultural products. The third pillar is trade facilitation, both by maximizing UAE logistical infrastructure and policy reform. Al Shariqi said, as a quick adapter of new agricultural sciences and technologies, the government seeks to encourage other countries to invest in new methodologies. He added that countries such as Senegal and Mauritania need to see the advantages of biotechnology and GMOs.

¶ 8. (C) Turning to specific foreign investments, Al Shariqi clarified that UAE government entities are not currently interested in making agricultural investments abroad. However, it does want to encourage and support private sector agricultural investments. Al Shariqi said agricultural investments are increasingly attractive, as real estate is no longer considered a reliable investment. The Government of Abu Dhabi Emirate has had success encouraging private sector investment by offering agricultural supply contracts to UAE firms, who then purchase products abroad and make related foreign agricultural investments. Al Shariqi said that while the government does not have foreign agricultural investments, some UAE sheikhs personally own land in Pakistan, Egypt, Australia and New Zealand.

#### FOREIGN INVESTMENTS - AND CHALLENGES

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¶ 9. (C) Commenting on specific foreign investment opportunities, Al Shariqi said that Sudan is an insecure investment and Egypt is also problematic given the logistical challenges of transporting products to a seaport. He added that financial resources are rarely a problem, but creating appropriate logistical networks in foreign countries is another matter. Minister Al Mansouri told the Ambassador that the UAE is going a "step further" than other Gulf

countries, for example, establishing a joint technical committee with Cambodia to research, produce and test certain products, such as rice. If both sides are satisfied with the outcomes, UAE investment in and imports of these products would ensue. Al Mansouri noted that production in countries like Cambodia could easily be doubled with appropriate support from consuming countries.

¶110. (C) Comment: As Ref B outlined, there is significant potential for cooperation with the UAE (and other Gulf countries) on food security. The UAE has the financial ability to encourage and support developing countries' agricultural production and significant aid projects throughout the Middle East, Africa and Asia. The UAE also has great respect for American agricultural methods and products, potentially making it an advocate for U.S. agriculture in the developing world. Perhaps most significantly, the UAE is committed to agricultural trade facilitation and the development of policies that will benefit producers and consumers. In the follow up to the World Food Summit in Rome, we should look for opportunities to cooperate with the UAE on food security policy matters. End Comment.  
OLSON